

Congress of the United States
Washington, D.C. 20515

November 16, 2022

The Honorable Patrick Leahy
Chair
Committee on Appropriations
U.S. Senate
Capitol S-128
Washington, DC 20510

The Honorable Richard Shelby
Ranking Member
Committee on Appropriations
U.S. Senate
Capitol S-128
Washington, DC 20510

The Honorable Rosa DeLauro
Chair
Committee on Appropriations
U.S. House of Representatives
2358-B Rayburn House Office Building
Washington, DC 20515

The Honorable Kay Granger
Ranking Member
Committee on Appropriations
U.S. House of Representatives
2358-B Rayburn House Office Building
Washington, DC 20515

Dear Chair Leahy, Ranking Member Shelby, Chair DeLauro and Ranking Member Granger,

We write in strong support of the \$60 million in competitive economic development grants and the accompanying committee report language included in H.R. 8294, the Transportation, Housing and Urban Development, and Related Agencies Appropriations Act for Fiscal Year 2023. This funding will support the redevelopment of abandoned and underutilized shopping malls which create significant blight for many communities across this country. We urge you to retain this vital funding in any final agreement between the House and Senate.

The funding included in the House-passed bill builds on a proven model of providing grant subsidies in conjunction with the Section 108 Loan Guarantee Program, which helps localities secure additional investments to undertake large-scale redevelopment projects. The Department of Housing and Urban Development has found that for every \$1 of Section 108 funds invested in a project, localities secured an average of \$4.62 additional investment.

Providing a grant subsidy in addition to Section 108 loans has been done before, through the Economic Development Initiative (EDI) program during the 1990s, which resulted in greatly expanded utilization of the Section 108 program. Throughout the first 17 years of the Section 108 loan guarantee program, HUD made 623 loan commitments totaling just under \$2.2 billion, but once the EDI program incentives were added, in the first two years of EDI, 1995-1996, 307 loan commitments were made for almost \$2.3 billion. The reintroduction of a more targeted version of this program could help our communities address the unique challenges associated with redeveloping old malls.

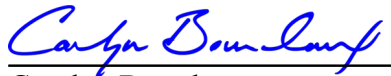
We believe that abandoned shopping malls hold enormous potential to help address critical needs for local communities, from affordable housing and mixed-use developments to fulfillment centers, health facilities, and corporate offices. These underutilized and blighted properties are

frequently located near transit, close to housing and other businesses, and occupy a significant amount of space that can be repurposed with infill development to generate substantial public revenue and jobs for the surrounding community. Additionally, redeveloping these properties instead of building into greenfields is a more environmentally sustainable form of development, but often does entail higher upfront investment because of the costs associated with tearing down the old mall and remediating or upgrading old infrastructure.

The \$60 million in competitive economic development grants currently in the House-passed Transportation, Housing and Urban Development, and Related Agencies Appropriations Act includes \$50 million specifically to support the revitalization of abandoned shopping centers,

We urge you to retain this vital new tool in any final agreement reached between the House and Senate. Thank you for your consideration of this request.

Sincerely,



Carolyn Bourdeaux
Member of Congress



Maria Elvira Salazar
Member of Congress



Madeleine Dean
Member of Congress



Cynthia Axne
Member of Congress



Dwight Evans
Member of Congress



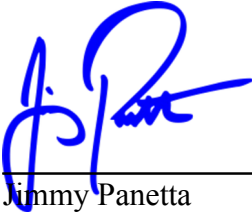
J. Luis Correa
Member of Congress



Vicente Gonzalez
Member of Congress



David Scott
Member of Congress



Jimmy Panetta
Member of Congress